

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In The Matter of the Special Plan Bundle)	
of Sprint Missouri, Inc. d/b/a Sprint and the)	Case No. TT-2005-0217
Special Plan Launch Promotion of Sprint)	Tariff File Nos. JI-2005-0495
Communications Company L.P.)	And JX 2005-0496

**SPRINT'S RESPONSE TO STAFF'S SECOND MOTION TO SUSPEND TARIFF
FILINGS AND TO STAFF'S SUPPLEMENTAL FILING**

COMES NOW Sprint Missouri, Inc. and Sprint Communications Company, L.P. (hereinafter collectively referred to as "Sprint"), and for its Response to Staff's Second Motion to Suspend its tariffs and Staff's Supplemental Filing states that the Motion should be denied; that the Supplemental Filing is in error; and that the Commission should allow Sprint's tariffs to become effective no later than January 14, 2005. In its second motion, Staff appears to acknowledge that Sprint has satisfied one of its two concerns by revising the promotional tariff offerings to be available on a statewide basis. However, Staff continues to seek suspension and delay of Sprint's tariff filing under 240-3.545(19) on the grounds that Sprint's proposed offering is not a "promotion." Staff's position is not well-grounded, and their interpretation of the Commission rules on promotional filings will only limit the benefits of competition to Missouri consumers. In support of its Response, Sprint states as follows:

1. Sprint originally filed tariffs on December 29, 2004 seeking Commission approval to offer a bundle of services as a promotion under 4 CSR 240-3.545 to compete with comparable offerings by Sprint's competitors, Time Warner Cable and others in five of Sprint's Missouri exchanges. On January 6, 2005, the Commission Staff filed its first

motion to suspend the tariffs contending that (1) Sprint's tariff filing described a new service requiring a 30-day approval period under 4 CSR 240-3.545(16), not a "promotion" subject to 10-day approval under 4 CSR 240-3.545(19), and (2) that Sprint's filing was seeking to geographically de-average services by offering its promotional filing in only five exchanges. The Staff based its argument on the fact that the proposed promotion offered a package of services at a single price that was not then contained in a Sprint approved tariff. The Staff also argued that Sprint had not demonstrated why this offering should or could be limited to a five-exchange region, rather than being offered in all its exchanges in the state. In Staff's view, Sprint should have sought application and a tariff approval thirty days prior to the proposed effective date, which is required for new services that have not been classified as competitive, rather than the shorter notice period permitted for special promotions.

2. On January 7, 2005, to address Staff's geographic segmentation concern and in an attempt to assure speed to market, Sprint filed substitute pages to its tariff and revised its promotional offering to make it available on a state-wide basis, rather than limiting it to just five exchanges, as originally filed.¹ Sprint invested time and resources to prepare a competitive response targeted, originally, for January 12, 2005, based upon market conditions in selected exchanges. Sprint is losing customers to its competitors only because Sprint does not currently have in its tariff the service bundle it needs to compete. Because certain Sprint markets demand immediate action to fight its competitors on level ground and to attract and retain customers, Sprint modified its

¹ Sprint believes it should be entitled to focus and test promotions of services in selected markets as reflected in its original tariff filing, but based upon the expansion of the geographic scope of Sprint's promotional offering, Sprint believes that Staff no longer seeks suspension on the grounds of geographic segmentation. If they do, it is certainly groundless.

promotion on January 7, 2005, and again sought an effective date of January 12, 2005. Attempting to meet its target for introducing the promotion, Sprint amended its original tariff filing to make the promotion available state-wide, rather than in the five original exchanges where Sprint faces strong competition. Sprint also asked for a waiver of the thirty-day notice period should the Commission agree with Staff that Sprint's tariff filings do not constitute a special promotion. Despite these efforts, Sprint is faced with a delay – albeit a potentially brief one – for introducing a special promotion which offers consumers a meaningful choice for comparison to the products of Sprint's competitors.

3. Accordingly, Sprint again asks the Commission to deny Staff's requests for further suspension of Sprint's tariffs. Sprint offers two reasons denial is warranted.

4. First, as described above, the request for suspension should be denied because Sprint has amended its original tariff to eliminate the concern about geographic market segmentation. In a competitive environment, such market segmentation is certainly warranted, but Sprint's overriding concern is to stem the loss of customers as quickly as possible.

5. Second, the request for suspension should be denied because Staff is wrong in its attempt to claim that the service offering described in Sprint's tariffs is not a promotion subject to approval under 4 CSR 240-3.545(19). The rules define a promotion as a service offering that reduces or waives a tariffed rate for a limited period of time, including established start and end dates, with notice to the Commission through a tariff filing. Sprint's proposed service offerings meet these basic criteria. Each of the individual services in the proposed "Special Plan Launch Promotion" and "Special Plan Bundle" is contained in Sprint's approved tariffs. If a customer purchases each of these

currently tariffed services separately, the customer pays about \$90 per month. By purchasing the promotional service offering that bundles the services, the customer would pay only \$43 a month during the promotional period, or \$19.95 if the customer subscribes to additional optional services. This clearly represents the reduction of a tariffed rate. Staff does not choose to discuss or acknowledge that Sprint's offering is explicitly time-limited with a defined start and end date, which is another characteristic of promotional service offerings.² Also, as required by rule, the promotion is being described and advance notice is provided to the Commission via Sprint's tariff filing.

6. As demonstrated above, a straightforward reading of the rule on the approval of promotions supports Sprint's position. In addition, Sprint's position is supported by strong public policy grounds. Such special promotions provide companies, like Sprint, an opportunity to test the consumer market and bring services to Missouri consumers that companies might not consider offering on a permanent basis. Promotions, like the one filed by Sprint, bring more options to consumers more quickly for an expressly limited period of time, and if promotions are well-received in the market, consumers can expect further benefits as companies are likely to offer the same or similar service on a permanent basis.

7. Finally, Sprint contends the Staff allegation that Sprint is seeking approval of its tariff filings by "mischaracterization" is simply unwarranted. Sprint's tariff filings comply with Missouri rules and are nothing more than an effort to bring to market, as


² Further, while this 60-day promotion is in effect, Sprint intends (as so stated in its initial response to Staff) to seek approval of a permanent tariff offering of this or a comparable package of services that would be priced at or near \$43 a month after a customer's introductory two months expires. Sprint intends to seek approval of this permanent offer pursuant to existing Commission rules for new services in the near future. Thus, should Sprint's promotion be favorably received by Missouri consumers, Sprint will have the necessary approvals to continue the availability of this service.

quickly as possible, a promotion that will allow Sprint to vie for its customers' business. Sprint has relied on a straightforward and common sense reading of state statute and the Commission's rules in attempting to do so.

WHEREFORE, Sprint urges the Commission to reject Staff's Second Motion to Suspend and to allow Sprint's promotional offering designed to offer its customers a competitive response to Time Warner and other cable telephone operators to go into effect no later than January 14, 2005.

Respectfully submitted,

SPRINT

 (by KAS)

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 13th day of January, 2005, a copy of the above and foregoing document was served via electronic mail, facsimile or U.S. Mail, postage prepaid to each of the following:

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